



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

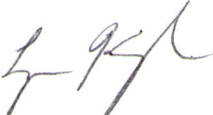
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July 21, 2000

TO: Minerals File

FROM: Lynn Kunzler, Reclamation Specialist 

RE: Site Inspection, Paradise Management Inc., Koosharem Mine, M/031/002, Piute County, Utah

Date of Inspection: July 13, 2000
Time of Inspection: 10:00 a.m.
Conditions: Clear
Participants: Steve Winslow, USFS; Stan Perks, BLM; and Lynn Kunzler, DOGM

Purpose of Inspection: To determine course of action to resolve potential non-compliance with site.

At the request of the BLM and FS, the operator was not invited to this site visit. Agencies wanted a site visit first to plan a course of action, since the BLM and FS have not had any involvement with this project. The property involved with this mine site was recently involved in a land exchange between the State of Utah and the Federal Government. Conditions of the exchange included provisions for the Federal Land Management Agencies to accept the terms and conditions of existing mineral leases. This was discussed on site. It was concluded that the BLM would manage the mineral leases with Paradise Management Inc (current operator) and that the Forest Service would manage the Surface. The FS would only have input on the mining operation as allowed through the EA process.

All agreed that the first pit has expanded beyond the 6.5 acres originally permitted and bonded. We discussed options as to the most expedient way to increase the reclamation surety. With DOGM holding the current surety (\$15,200), it would be preferred for DOGM to hold the entire surety (\$27,400 - based on the average cost per acre of \$2,338 of the current bond). However, the question was raised as to whether this additional amount would be considered an interim bond which DOGM may not be authorized to hold. If this be the case, Stan Perkes of the BLM indicated that he would be able to ask for the additional surety. The lease is up for renewal in February of 2001 and a EA will need to be done for the site prior to this.

The second pit was visited next. Steve Winslow indicated that a sample of the stockpiled material was taken for analysis to determine the percent clay. He indicated that if it was high in clay, it would not meet FS needs as road base material for maintenance of FS roads. It was determined that the 1.66 acres disturbed at this site is currently the responsibility of the FS and that they would need to negotiate with Paradise Management Inc. as far as how and who will reclaim the site.

The clay stockpile apparently is on fee property. Neither the BLM or the FS will have any jurisdiction with regards to permitting of this site.

Before leaving the site, a tentative date and time (July 20, 2000 @ 10:00 am) was set to meet on site with the operator. Since Steve and Stan would be out of their offices until then, I indicated I would contact the operator. If the date was not acceptable, I would leave E-mail and Voice messages with Steve and Stan to change the date, otherwise we would meet onsite at the agreed time and date.

jb

cc: Stan Perkes, BLM
Steve Winslow, USFS

Koosharem.ins